

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: H3/12/25

A Bill

HOUSE BILL 1102

5 By: Joint Budget Committee
6
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For An Act To Be Entitled

9 AN ACT TO MAKE AN APPROPRIATION FOR STATE TURNBACK
10 FOR COUNTIES AND MUNICIPALITIES BY THE OFFICE OF THE
11 TREASURER OF STATE FOR THE FISCAL YEAR ENDING JUNE
12 30, 2026; AND FOR OTHER PURPOSES.
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14

Subtitle

16 AN ACT TO MAKE AN APPROPRIATION FOR STATE
17 TURNBACK FOR COUNTIES AND MUNICIPALITIES
18 BY THE OFFICE OF THE TREASURER OF STATE
19 FOR THE FISCAL YEAR ENDING JUNE 30, 2026;
20 AND FOR OTHER PURPOSES.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. APPROPRIATION - GENERAL REVENUE TO CITIES. There is hereby
27 appropriated, to the Office of the Treasurer of State, to be payable from the
28 Municipal Aid Fund, for the purpose of distributing General Revenue accruing
29 therein for the benefit of municipalities as provided by law, by the Office
30 of the Treasurer of State for the fiscal year ending June 30, 2026, the
31 following:
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ITEM	FISCAL YEAR
<u>NO.</u>	<u>2025-2026</u>
(01) GENERAL REVENUES - CITIES	<u>\$29,372,099</u>



1 SECTION 2. APPROPRIATION - SPECIAL REVENUES TO CITIES. There is hereby
 2 appropriated, to the Office of the Treasurer of State, to be payable from the
 3 Municipal Aid Fund, for distributing Special Revenues accruing therein for
 4 the benefit of municipalities as provided by law, by the Office of the
 5 Treasurer of State for the fiscal year ending June 30, 2026, the following:

7 ITEM	FISCAL YEAR
8 <u>NO.</u>	<u>2025-2026</u>
9 (01) SPECIAL REVENUES - CITIES	<u>\$215,000,000</u>

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 11 SECTION 3. APPROPRIATION - GENERAL REVENUES TO COUNTIES. There is
 12 hereby appropriated, to the Office of the Treasurer of State, to be payable
 13 from the County Aid Fund, for the purpose of distributing General Revenue
 14 accruing therein for the benefit of counties as provided by law, by the
 15 Office of the Treasurer of State for the fiscal year ending June 30, 2026,
 16 the following:

18 ITEM	FISCAL YEAR
19 <u>NO.</u>	<u>2025-2026</u>
20 (01) GENERAL REVENUE - COUNTIES	<u>\$21,428,616</u>

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 22 SECTION 4. APPROPRIATION - SPECIAL REVENUES TO COUNTIES. There is
 23 hereby appropriated, to the Office of the Treasurer of State, to be payable
 24 from the County Aid Fund, for the purpose of distributing any monies provided
 25 by Highway Turnback, Severance Taxes to counties, and any other monies
 26 provided by the Acts of the General Assembly for the benefit of counties, by
 27 the Office of the Treasurer of State for the fiscal year ending June 30,
 28 2026, the following:

30 ITEM	FISCAL YEAR
31 <u>NO.</u>	<u>2025-2026</u>
32 (01) SPECIAL REVENUE - COUNTIES	<u>\$230,000,000</u>

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 34 SECTION 5. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES - COUNTIES.
 35 There is hereby appropriated, to the Office of the Treasurer of State, to be
 36 payable from the County Aid Fund, for unanticipated monies received from the

1 sale or lease of minerals, oil and gas on federal military lands or from
2 other unanticipated special revenues, for the transfer to those counties to
3 which such monies are allocated by law, by the Office of the Treasurer of
4 State for the fiscal year ending June 30, 2026, the following:

6 ITEM	FISCAL YEAR
7 <u>NO.</u>	<u>2025-2026</u>
8 (01) UNANTICIPATED SPECIAL REVENUES	<u>\$15,000,000</u>

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10 SECTION 6. APPROPRIATION - UNANTICIPATED SPECIAL REVENUES - CITIES.

11 There is hereby appropriated, to the Office of the Treasurer of State, to be
12 payable from the Municipal Aid Fund, for unanticipated monies received from
13 the sale or lease of minerals, oil and gas of federal military lands or from
14 other unanticipated special revenues, for the transfer to those cities to
15 which such monies are allocated by law, by the Office of the Treasurer of
16 State for the fiscal year ending June 30, 2026, the following:

18 ITEM	FISCAL YEAR
19 <u>NO.</u>	<u>2025-2026</u>
20 (01) UNANTICIPATED SPECIAL REVENUES	<u>\$10,000,000</u>

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22 SECTION 7. APPROPRIATION - REAL PROPERTY TAX REDUCTION - COUNTIES.

23 There is hereby appropriated, to the Office of the Treasurer of State, to be
24 payable from the Property Tax Relief Trust Fund, for distributing funds
25 provided by a statewide property tax reduction to counties, by the Office of
26 the Treasurer of State for the fiscal year ending June 30, 2026, the
27 following:

29 ITEM	FISCAL YEAR
30 <u>NO.</u>	<u>2025-2026</u>
31 (01) DISTRIBUTION TO COUNTIES FOR PROPERTY 32 TAX RELIEF	<u>\$300,000,000</u>

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34 SECTION 8. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES

35 DISTRIBUTION TO COUNTIES. There is hereby appropriated, to the Office of the
36 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,

1 for accruing therein for the benefit of counties to be distributed using the
2 formula for the County Aid Fund under §19-5-602(c), by the Office of the
3 Treasurer of State for the fiscal year ending June 30, 2026, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2025-2026</u>
(01) DISTRIBUTION TO COUNTIES	<u>\$2,000,000</u>

9 SECTION 9. APPROPRIATION - PROPERTY TAX RELIEF FUND REVENUES

10 DISTRIBUTION TO CITIES. There is hereby appropriated, to the Office of the
11 Treasurer of State, to be payable from the Property Tax Relief Trust Fund,
12 for accruing therein for the benefit of municipalities to be distributed
13 using the formula for the Municipal Aid Fund under §19-5-601(c), by the
14 Office of the Treasurer of State for the fiscal year ending June 30, 2026,
15 the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2025-2026</u>
(01) DISTRIBUTION TO CITIES	<u>\$2,000,000</u>

21 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
22 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

23 DISTRIBUTION OF FUNDS. Funding provided in Property Tax Relief Fund Revenues
24 Distribution to Counties and Property Tax Relief Fund Revenues Distribution to
25 Cities of this Act from the Property Tax Relief Trust Fund shall not be
26 distributed unless there are sufficient funds in the Property Tax Relief Trust
27 Fund as of the date that the Chief Fiscal Officer of the State certifies the
28 amount in excess of the required reimbursement to the counties as provided in
29 §26-26-310(b)(2)(C)(i). If there are sufficient funds remaining in the
30 Property Tax Relief Trust Fund on December 31, ~~2024~~ 2025, as certified, the
31 Treasurer shall distribute two million dollars (\$2,000,000) to counties and
32 two million dollars (\$2,000,000) to cities for the fiscal year ending June 30,
33 ~~2025~~ 2026 from the balance remaining on December 31, ~~2024~~ 2025 from the
34 Property Tax Relief Trust Fund. The distribution to counties shall be made in
35 accordance with the distribution formula in §19-5-602(c). The distribution to
36 cities shall be made in accordance with the distribution formula in §19-5-

1 601(b). The funds attributable to sales and use taxes levied prior to July 1,
2 ~~2024~~ 2025 shall not be transferred from the Property Tax Relief Trust Fund to
3 the cities and counties.

4 The provisions of this section shall be in effect only from July 1, ~~2024~~
5 2025 through June 30, ~~2025~~ 2026.

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7 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
8 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

9 LOANS TO CITIES AND COUNTIES. On July 1 of each fiscal year, the Chief
10 Fiscal Officer of the State shall request a transfer by the State Treasurer
11 from the Budget Stabilization Trust Fund to the County Aid Fund and to the
12 Municipal Aid Fund to assist the various cities and counties in meeting cash
13 flow needs early in the state fiscal year. The transfer shall be a loan to
14 be repaid in equal installments from general revenue distributions each month
15 during the fiscal year for which the loan was made and shall be in addition
16 to any other loans authorized by law for the County Aid and Municipal Aid
17 Funds. The amount of such loan for each fiscal year shall be \$3,517,657 to
18 the Municipal Aid Fund and \$1,906,079 to the County Aid Fund, or so much
19 thereof as may be available in the Budget Stabilization Trust Fund as
20 determined by the Chief Fiscal Officer of the State. Upon such transfer
21 being completed, the State Treasurer shall immediately distribute such funds
22 to each of the several municipalities and counties in the same manner as
23 general revenues are distributed.

24 It is the intent of the General Assembly that the Chief Fiscal Officer of the
25 State and the State Treasurer shall make every reasonable, and financially
26 sound effort to insure that local governments receive the full amount of the
27 loan authorized herein on July 1 of each year and that the monies authorized
28 for local governments from general revenues be distributed in equal monthly
29 payments.

30 The provisions of this section shall be in effect only from July 1, ~~2024~~
31 2025 through June 30, ~~2025~~ 2026.

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33 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
34 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY
35 LAW. RESPONSIBILITY FOR FUNDING. Beginning on January 1, 2000, each county of
36 the State shall be responsible for a portion of the cost of regular salaries

1 and personal services matching for deputy prosecuting attorneys who are to
2 become state employees as of January 1, 2000. During the monthly
3 distribution of general revenues to the counties, the Treasurer of State
4 shall retain from each county, one-twelfth (1/12th) of 80% of the amount
5 appropriated by each of the counties for salaries and associated fringe
6 benefit costs as of January 1, 1999. The amount retained by the Treasurer of
7 State shall be credited to the State Central Services Fund for the partial
8 support of the regular salaries and personal services matching costs for
9 deputy prosecuting attorneys. The amount which each county appropriated for
10 salaries and associated fringe benefit costs as of January 1, 1999, shall be
11 determined by the Division of Legislative Audit of the Legislative Joint
12 Auditing Committee and shall be certified to the Treasurer of State on or
13 before December 1, 1999.

14 ~~"Effective July 1, 2024, each~~ Each county shall be responsible for
15 paying twenty-five percent (25%) of the ~~prior year's~~ amount retained by the
16 Treasurer of State for that county for the fiscal year ending June 30, 2024
17 under this section.

18 The provisions of this section shall be in effect only from July 1,
19 ~~2024~~ 2025 through June 30, ~~2025~~ 2026.

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21 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
22 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

23 CARRY FORWARD. At the close of each fiscal year any unexpended funds for the
24 County Aid and Municipal Aid line items shall be carried forward and
25 distributed pursuant and in addition to the funding formula established under
26 A.C.A 19-5-601 and 19-5-602 within forty-five (45) days.

27 Any carry forward of unexpended balance of funding as authorized herein,
28 may be carried forward under the following conditions:

29 (1) Prior to June 30, ~~2025~~ 2026 the Agency shall by written statement
30 set forth its reason(s) for the need to carry forward said funding to the
31 Department of Finance and Administration Office of Budget;

32 (2) The Department of Finance and Administration Office of Budget shall
33 report to the Arkansas Legislative Council all amounts carried forward by the
34 September Arkansas Legislative Council or Joint Budget Committee meeting
35 which report shall include the name of the Agency, Board, Commission or
36 Institution and the amount of the funding carried forward, the program name

1 or line item, the funding source of that appropriation and a copy of the
2 written request set forth in (1) above;

3 (3) Each Agency, Board, Commission or Institution shall provide a
4 written report to the Arkansas Legislative Council or Joint Budget Committee
5 containing all information set forth in item (2) above, along with a written
6 statement as to the current status of the project, contract, purpose etc. for
7 which the carry forward was originally requested no later than thirty (30)
8 days prior to the time the Agency, Board, Commission or Institution presents
9 its budget request to the Arkansas Legislative Council/Joint Budget
10 Committee; and

11 (4) Thereupon, the Department of Finance and Administration shall
12 include all information obtained in item (3) above in the budget manuals
13 and/or a statement of non-compliance by the Agency, Board, Commission or
14 Institution.

15 The provisions of this section shall be in effect only from July 1, ~~2024~~
16 2025 through June 30, ~~2025~~ 2026.

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18 SECTION 14. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
19 authorized by this act shall be limited to the appropriation for such agency
20 and funds made available by law for the support of such appropriations; and
21 the restrictions of the State Procurement Law, the General Accounting and
22 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
23 Procedures and Restrictions Act, or their successors, and other fiscal
24 control laws of this State, where applicable, and regulations promulgated by
25 the Department of Finance and Administration, as authorized by law, shall be
26 strictly complied with in disbursement of said funds.

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28 SECTION 15. LEGISLATIVE INTENT. It is the intent of the General
29 Assembly that any funds disbursed under the authority of the appropriations
30 contained in this act shall be in compliance with the stated reasons for
31 which this act was adopted, as evidenced by the Agency Requests, Executive
32 Recommendations and Legislative Recommendations contained in the budget
33 manuals prepared by the Department of Finance and Administration, letters, or
34 summarized oral testimony in the official minutes of the Arkansas Legislative
35 Council or Joint Budget Committee which relate to its passage and adoption.

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1 SECTION 16. EMERGENCY CLAUSE. It is found and determined by the
2 General Assembly, that the Constitution of the State of Arkansas prohibits
3 the appropriation of funds for more than a one (1) year period; that the
4 effectiveness of this Act on July 1, 2025 is essential to the operation of
5 the agency for which the appropriations in this Act are provided, and that in
6 the event of an extension of the legislative session, the delay in the
7 effective date of this Act beyond July 1, 2025 could work irreparable harm
8 upon the proper administration and provision of essential governmental
9 programs. Therefore, an emergency is hereby declared to exist and this Act
10 being necessary for the immediate preservation of the public peace, health
11 and safety shall be in full force and effect from and after July 1, 2025.

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/s/Joint Budget Committee